

CITY COUNCIL REPORT

DATE: 3/29/2016

TO: Mayor and Councilmembers

FROM: Sandy Corder, Interim Revenue Director

CC: Josh Copley, Jerene Watson, Barbara Goodrich, Leadership Team

SUBJECT: ONLINE CONVENIENCE FEE

This is an informational item for Council regarding the utility bill online application convenience fee charges.

DISCUSSION

In the spring of 2012, the City improved the Civic Plus website, including allowing payments to be accepted for specific services. During the summer of 2012, the Revenue Section proposed online account application services for utility customers and the ability for water haulers to reload their water loadout card through the website. This enhancement was a new cost incurred by the Revenue Section. The Section did not have the full capacity in its budget to absorb the additional costs and the new process did not automate the workload of staff handling these transactions. Therefore, it was decided to implement the practice, passing on a portion of the 3rd party fee to the customer who was benefitting service. The current fee charged by the vendor is \$5.17 per transaction, \$4.00 of which is the responsibility of the customer and \$1.17 is absorbed by the City. Customers may also apply in person or via facsimile machine. Both of these alternative methods do not involve Civic Plus, thereby avoiding the convenience fee.

The benefits of online applications include allowing customers to apply 24 hours per day, 7 days a week, including making the necessary initial deposits, and receiving immediate automated feedback that their application has been received.

In Calendar Year 2015, 860 customers applied online at a total vendor charge of \$4,446.20, \$1,006.20 paid by the City. During this same period, approximately 2,690 applications were received, mostly in person at City Hall, which were not subject to the convenience fee. Therefore, approximately 24% of all new applicants chose to pay the \$4 convenience fee and apply online. This reduces the time for those who are waiting in line to make payments for a variety of services.

Customer Service is currently in the implementation phase with a new vendor, Paymentus, to accept credit card payments online and through a telephone interactive voice response (IVR) system for Miscellaneous Accounts Receivables and Water Load Haulers. This removed the Civic Plus convenience fee for Water Haulers in Calendar Year 2015. Similarly, the implementation of Paymentus for Utility customers will transfer the application process to from Civic Plus, thus eliminating the convenience fee. This is expected to occur in May 2016.

RECOMMENDATION / CONCLUSION

This report is for information only.